

AMENDED IN SENATE JUNE 19, 2012

AMENDED IN ASSEMBLY MAY 3, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2697

Introduced by Committee on Housing and Community Development

March 21, 2012

An act to amend ~~Section~~ *Sections 798.49, 896, 1363.05, and 1368* of the Civil Code, and to amend Sections 18045.6 and 18942 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2697, as amended, Committee on Housing and Community Development. Housing Omnibus Act.

(1) The Mobilehome Residency law requires the local agency of any city, including a charter city, county, or city and county that administers an ordinance, rule, regulation, or initiative measure that establishes a maximum amount that management of a mobilehome park may charge a tenant for rent to permit the management to separately charge a homeowner for certain fees, as specified. Existing law exempts from this requirement, among other things, costs that are imposed on management for a fine, forfeiture, penalty, money damages, or fee assessed or awarded by a court of law against the management for a violation of the Mobilehome Residency Law.

This bill would correct an erroneous cross-reference within this provision.

(2) *Existing law sets forth standards for determining liability in an action seeking the recovery of damages arising out of, or related to, deficiencies in residential construction, design, and related issues, as*

specified, including standards governing the installation of heating, if any.

This bill would revise those standards to require heating, if any, to be installed so as to be capable of maintaining a room temperature of 70 degrees Fahrenheit at a point 3 feet above the floor in any living space if the heating was installed pursuant to a building permit application submitted prior to January 1, 2008, or capable of maintaining a room temperature of 68 degrees Fahrenheit at a point 3 feet above the floor and 2 feet from the exterior walls in all habitable rooms at the design temperature if the heating was installed pursuant to a building permit application submitted on or after January 1, 2008.

(3) The Common Interest Development Open Meeting Act, within the Davis-Stirling Common Interest Development Act, prohibits a board of directors from conducting a meeting via a series of electronic transmissions, except in the case of an emergency meeting. Existing law requires the board, individually or collectively, to consent in writing to the conduct of an emergency meeting of the board via electronic transmission, and authorizes that written consent to be transmitted electronically.

This bill would make a technical, nonsubstantive change to this provision.

(4) The Common Interest Development Open Meeting Act, within the Davis-Stirling Common Interest Development Act, defines the term “meeting” to include a teleconference in which a majority of the members of the board, in different locations are connected by electronic means, as specified, requires the notice of a teleconference meeting to identify at least one physical location so that members of the association may attend, and requires at least one member of the board of directors to be present at that location.

This bill would instead require that at least one member of the board of directors or a person designated by the board be present at that location.

(5) The Davis-Stirling Common Interest Development Act requires the owner of a separate interest, as soon as practicable before transfer of title to the separate interest or execution of a real property sales contract, to provide various items to the prospective purchaser, including, among other things, a statement describing any prohibition, and its applicability, contained in the governing documents against the rental or leasing of any separate interest in the common interest development to a renter, lessee, or tenant.

This bill would eliminate the requirement to describe the applicability of the prohibition.

(2)

(6) The Manufactured Housing Act of 1980 requires the Department of Housing and Community Development to administer occupational licenses for dealers, as defined. The act authorizes a dealer to display manufactured homes, mobilehomes, or commercial coaches at a fair, exposition, or similar exhibit for no more than 30 days, and defines “mobilehome fair or exposition” to mean a display of manufactured homes, mobilehomes, or commercial coaches not limited to one dealer and not in a mobilehome park.

This bill would remove the 30-day limit on the display of manufactured homes, mobilehome, or commercial coaches at a fair, exposition, or similar exhibit. The bill would also revise the definition of “mobilehome fair or exposition” to mean a display of manufactured homes, mobilehomes, or commercial coaches not in a mobilehome park and for which the initial opportunity to display is open to all dealers. The bill would also specify that a display does not qualify as a business location or an established place of business for the purposes of procuring or maintaining a dealer’s license.

(3)

(7) The California Building Standards Law provides for the promulgation of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval or adoption. Existing law requires the commission to publish, or cause to be published, editions of the code in its entirety once every 3 years.

Existing law requires the commission to publish the text of a specified provision within the area of the code concerning single-family residential occupancies with a note specifying that the regulations may be subject to local government modification.

This bill would correct an erroneous cross-reference within that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 798.49 of the Civil Code is amended to read:

798.49. (a) Except as provided in subdivision (d), the local agency of any city, including a charter city, county, or city and county, which administers an ordinance, rule, regulation, or initiative measure that establishes a maximum amount that management may charge a tenant for rent shall permit the management to separately charge a homeowner for any of the following:

(1) The amount of any fee, assessment or other charge first imposed by a city, including a charter city, a county, a city and county, the state, or the federal government on or after January 1, 1995, upon the space rented by the homeowner.

(2) The amount of any increase on or after January 1, 1995, in an existing fee, assessment or other charge imposed by any governmental entity upon the space rented by the homeowner.

(3) The amount of any fee, assessment or other charge upon the space first imposed or increased on or after January 1, 1993, pursuant to any state or locally mandated program relating to housing contained in the Health and Safety Code.

(b) If management has charged the homeowner for a fee, assessment, or other charge specified in subdivision (a) that was increased or first imposed on or after January 1, 1993, and the fee, assessment, or other charge is decreased or eliminated thereafter, the charge to the homeowner shall be decreased or eliminated accordingly.

(c) The amount of the fee, assessment or other charges authorized by subdivision (a) shall be separately stated on any billing to the homeowner. Any change in the amount of the fee, assessment, or other charges that are separately billed pursuant to subdivision (a) shall be considered when determining any rental adjustment under the local ordinance.

(d) This section shall not apply to any of the following:

(1) Those fees, assessments, or charges imposed pursuant to the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), unless specifically authorized by Section 18502 of the Health and Safety Code.

1 (2) Those costs that are imposed on management by a court
2 pursuant to Section 798.39.5.

3 (3) Any fee or other exaction imposed upon management for
4 the specific purpose of defraying the cost of administration of any
5 ordinance, rule, regulation, or initiative measure that establishes
6 a maximum amount that management may charge a tenant for rent.

7 (4) Any tax imposed upon the property by a city, including a
8 charter city, county, or city and county.

9 (e) Those fees and charges specified in subdivision (a) shall be
10 separately stated on any monthly or other periodic billing to the
11 homeowner. If the fee or charge has a limited duration or is
12 amortized for a specified period, the expiration date shall be stated
13 on the initial notice and each subsequent billing to the homeowner
14 while the fee or charge is billed to the homeowner.

15 *SEC. 2. Section 896 of the Civil Code is amended to read:*

16 896. In any action seeking recovery of damages arising out of,
17 or related to deficiencies in, the residential construction, design,
18 specifications, surveying, planning, supervision, testing, or
19 observation of construction, a builder, and to the extent set forth
20 in Chapter 4 (commencing with Section 910), a general contractor,
21 subcontractor, material supplier, individual product manufacturer,
22 or design professional, shall, except as specifically set forth in this
23 title, be liable for, and the claimant's claims or causes of action
24 shall be limited to violation of, the following standards, except as
25 specifically set forth in this title. This title applies to original
26 construction intended to be sold as an individual dwelling unit. As
27 to condominium conversions, this title does not apply to or does
28 not supersede any other statutory or common law.

29 (a) With respect to water issues:

30 (1) A door shall not allow unintended water to pass beyond,
31 around, or through the door or its designed or actual moisture
32 barriers, if any.

33 (2) Windows, patio doors, deck doors, and their systems shall
34 not allow water to pass beyond, around, or through the window,
35 patio door, or deck door or its designed or actual moisture barriers,
36 including, without limitation, internal barriers within the systems
37 themselves. For purposes of this paragraph, "systems" include,
38 without limitation, windows, window assemblies, framing,
39 substrate, flashings, and trim, if any.

1 (3) Windows, patio doors, deck doors, and their systems shall
2 not allow excessive condensation to enter the structure and cause
3 damage to another component. For purposes of this paragraph,
4 “systems” include, without limitation, windows, window
5 assemblies, framing, substrate, flashings, and trim, if any.

6 (4) Roofs, roofing systems, chimney caps, and ventilation
7 components shall not allow water to enter the structure or to pass
8 beyond, around, or through the designed or actual moisture barriers,
9 including, without limitation, internal barriers located within the
10 systems themselves. For purposes of this paragraph, “systems”
11 include, without limitation, framing, substrate, and sheathing, if
12 any.

13 (5) Decks, deck systems, balconies, balcony systems, exterior
14 stairs, and stair systems shall not allow water to pass into the
15 adjacent structure. For purposes of this paragraph, “systems”
16 include, without limitation, framing, substrate, flashing, and
17 sheathing, if any.

18 (6) Decks, deck systems, balconies, balcony systems, exterior
19 stairs, and stair systems shall not allow unintended water to pass
20 within the systems themselves and cause damage to the systems.
21 For purposes of this paragraph, “systems” include, without
22 limitation, framing, substrate, flashing, and sheathing, if any.

23 (7) Foundation systems and slabs shall not allow water or vapor
24 to enter into the structure so as to cause damage to another building
25 component.

26 (8) Foundation systems and slabs shall not allow water or vapor
27 to enter into the structure so as to limit the installation of the type
28 of flooring materials typically used for the particular application.

29 (9) Hardscape, including paths and patios, irrigation systems,
30 landscaping systems, and drainage systems, that are installed as
31 part of the original construction, shall not be installed in such a
32 way as to cause water or soil erosion to enter into or come in
33 contact with the structure so as to cause damage to another building
34 component.

35 (10) Stucco, exterior siding, exterior walls, including, without
36 limitation, exterior framing, and other exterior wall finishes and
37 fixtures and the systems of those components and fixtures,
38 including, but not limited to, pot shelves, horizontal surfaces,
39 columns, and plant-ons, shall be installed in such a way so as not
40 to allow unintended water to pass into the structure or to pass

beyond, around, or through the designed or actual moisture barriers of the system, including any internal barriers located within the system itself. For purposes of this paragraph, “systems” include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(11) Stucco, exterior siding, and exterior walls shall not allow excessive condensation to enter the structure and cause damage to another component. For purposes of this paragraph, “systems” include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(12) Retaining and site walls and their associated drainage systems shall not allow unintended water to pass beyond, around, or through its designed or actual moisture barriers including, without limitation, any internal barriers, so as to cause damage. This standard does not apply to those portions of any wall or drainage system that are designed to have water flow beyond, around, or through them.

(13) Retaining walls and site walls, and their associated drainage systems, shall only allow water to flow beyond, around, or through the areas designated by design.

(14) The lines and components of the plumbing system, sewer system, and utility systems shall not leak.

(15) Plumbing lines, sewer lines, and utility lines shall not corrode so as to impede the useful life of the systems.

(16) Sewer systems shall be installed in such a way as to allow the designated amount of sewage to flow through the system.

(17) Showers, baths, and related waterproofing systems shall not leak water into the interior of walls, flooring systems, or the interior of other components.

(18) The waterproofing system behind or under ceramic tile and tile countertops shall not allow water into the interior of walls, flooring systems, or other components so as to cause damage. Ceramic tile systems shall be designed and installed so as to deflect intended water to the waterproofing system.

(b) With respect to structural issues:

(1) Foundations, load bearing components, and slabs, shall not contain significant cracks or significant vertical displacement.

(2) Foundations, load bearing components, and slabs shall not cause the structure, in whole or in part, to be structurally unsafe.

(3) Foundations, load bearing components, and slabs, and underlying soils shall be constructed so as to materially comply with the design criteria set by applicable government building codes, regulations, and ordinances for chemical deterioration or corrosion resistance in effect at the time of original construction.

(4) A structure shall be constructed so as to materially comply with the design criteria for earthquake and wind load resistance, as set forth in the applicable government building codes, regulations, and ordinances in effect at the time of original construction.

(c) With respect to soil issues:

(1) Soils and engineered retaining walls shall not cause, in whole or in part, damage to the structure built upon the soil or engineered retaining wall.

(2) Soils and engineered retaining walls shall not cause, in whole or in part, the structure to be structurally unsafe.

(3) Soils shall not cause, in whole or in part, the land upon which no structure is built to become unusable for the purpose represented at the time of original sale by the builder or for the purpose for which that land is commonly used.

(d) With respect to fire protection issues:

(1) A structure shall be constructed so as to materially comply with the design criteria of the applicable government building codes, regulations, and ordinances for fire protection of the occupants in effect at the time of the original construction.

(2) Fireplaces, chimneys, chimney structures, and chimney termination caps shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire outside the fireplace enclosure or chimney.

(3) Electrical and mechanical systems shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire.

(e) With respect to plumbing and sewer issues:

Plumbing and sewer systems shall be installed to operate properly and shall not materially impair the use of the structure by its inhabitants. However, no action may be brought for a violation of this subdivision more than four years after close of escrow.

(f) With respect to electrical system issues:

Electrical systems shall operate properly and shall not materially impair the use of the structure by its inhabitants. However, no

1 action shall be brought pursuant to this subdivision more than four
2 years from close of escrow.

3 (g) With respect to issues regarding other areas of construction:

4 (1) Exterior pathways, driveways, hardscape, sidewalls,
5 sidewalks, and patios installed by the original builder shall not
6 contain cracks that display significant vertical displacement or that
7 are excessive. However, no action shall be brought upon a violation
8 of this paragraph more than four years from close of escrow.

9 (2) Stucco, exterior siding, and other exterior wall finishes and
10 fixtures, including, but not limited to, pot shelves, horizontal
11 surfaces, columns, and plant-ons, shall not contain significant
12 cracks or separations.

13 (3) (A) To the extent not otherwise covered by these standards,
14 manufactured products, including, but not limited to, windows,
15 doors, roofs, plumbing products and fixtures, fireplaces, electrical
16 fixtures, HVAC units, countertops, cabinets, paint, and appliances
17 shall be installed so as not to interfere with the products' useful
18 life, if any.

19 (B) For purposes of this paragraph, "useful life" means a
20 representation of how long a product is warranted or represented,
21 through its limited warranty or any written representations, to last
22 by its manufacturer, including recommended or required
23 maintenance. If there is no representation by a manufacturer, a
24 builder shall install manufactured products so as not to interfere
25 with the product's utility.

26 (C) For purposes of this paragraph, "manufactured product"
27 means a product that is completely manufactured offsite.

28 (D) If no useful life representation is made, or if the
29 representation is less than one year, the period shall be no less than
30 one year. If a manufactured product is damaged as a result of a
31 violation of these standards, damage to the product is a recoverable
32 element of damages. This subparagraph does not limit recovery if
33 there has been damage to another building component caused by
34 a manufactured product during the manufactured product's useful
35 life.

36 (E) This title does not apply in any action seeking recovery
37 solely for a defect in a manufactured product located within or
38 adjacent to a structure.

39 (4) Heating, if any, shall be installed so as to be capable of
40 maintaining a room temperature of 70 degrees Fahrenheit at a point

1 three feet above the floor in any living space *if the heating was*
2 *installed pursuant to a building permit application submitted prior*
3 *to January 1, 2008, or capable of maintaining a room temperature*
4 *of 68 degrees Fahrenheit at a point three feet above the floor and*
5 *two feet from exterior walls in all habitable rooms at the design*
6 *temperature if the heating was installed pursuant to a building*
7 *permit application submitted on or before January 1, 2008.*

8 (5) Living space air-conditioning, if any, shall be provided in
9 a manner consistent with the size and efficiency design criteria
10 specified in Title 24 of the California Code of Regulations or its
11 successor.

12 (6) Attached structures shall be constructed to comply with
13 interunit noise transmission standards set by the applicable
14 government building codes, ordinances, or regulations in effect at
15 the time of the original construction. If there is no applicable code,
16 ordinance, or regulation, this paragraph does not apply. However,
17 no action shall be brought pursuant to this paragraph more than
18 one year from the original occupancy of the adjacent unit.

19 (7) Irrigation systems and drainage shall operate properly so as
20 not to damage landscaping or other external improvements.
21 However, no action shall be brought pursuant to this paragraph
22 more than one year from close of escrow.

23 (8) Untreated wood posts shall not be installed in contact with
24 soil so as to cause unreasonable decay to the wood based upon the
25 finish grade at the time of original construction. However, no action
26 shall be brought pursuant to this paragraph more than two years
27 from close of escrow.

28 (9) Untreated steel fences and adjacent components shall be
29 installed so as to prevent unreasonable corrosion. However, no
30 action shall be brought pursuant to this paragraph more than four
31 years from close of escrow.

32 (10) Paint and stains shall be applied in such a manner so as not
33 to cause deterioration of the building surfaces for the length of
34 time specified by the paint or stain manufacturers' representations,
35 if any. However, no action shall be brought pursuant to this
36 paragraph more than five years from close of escrow.

37 (11) Roofing materials shall be installed so as to avoid materials
38 falling from the roof.

39 (12) The landscaping systems shall be installed in such a manner
40 so as to survive for not less than one year. However, no action

1 shall be brought pursuant to this paragraph more than two years
2 from close of escrow.

3 (13) Ceramic tile and tile backing shall be installed in such a
4 manner that the tile does not detach.

5 (14) Dryer ducts shall be installed and terminated pursuant to
6 manufacturer installation requirements. However, no action shall
7 be brought pursuant to this paragraph more than two years from
8 close of escrow.

9 (15) Structures shall be constructed in such a manner so as not
10 to impair the occupants' safety because they contain public health
11 hazards as determined by a duly authorized public health official,
12 health agency, or governmental entity having jurisdiction. This
13 paragraph does not limit recovery for any damages caused by a
14 violation of any other paragraph of this section on the grounds that
15 the damages do not constitute a health hazard.

16 *SEC. 3. Section 1363.05 of the Civil Code is amended to read:*

17 1363.05. (a) This section shall be known and may be cited as
18 the Common Interest Development Open Meeting Act.

19 (b) Any member of the association may attend meetings of the
20 board of directors of the association, except when the board
21 adjourns to, or meets solely in, executive session to consider
22 litigation, matters relating to the formation of contracts with third
23 parties, member discipline, personnel matters, or to meet with a
24 member, upon the member's request, regarding the member's
25 payment of assessments, as specified in Section 1367 or 1367.1.
26 The board of directors of the association shall meet in executive
27 session, if requested by a member who may be subject to a fine,
28 penalty, or other form of discipline, and the member shall be
29 entitled to attend the executive session. As specified in paragraph
30 (2) of subdivision (k), a member of the association shall be entitled
31 to attend a teleconference meeting or the portion of a teleconference
32 meeting that is open to members, and that meeting or portion of
33 the meeting shall be audible to the members in a location specified
34 in the notice of the meeting.

35 (c) Any matter discussed in executive session shall be generally
36 noted in the minutes of the immediately following meeting that is
37 open to the entire membership.

38 (d) The minutes, minutes proposed for adoption that are marked
39 to indicate draft status, or a summary of the minutes, of any
40 meeting of the board of directors of an association, other than an

1 executive session, shall be available to members within 30 days
2 of the meeting. The minutes, proposed minutes, or summary
3 minutes shall be distributed to any member of the association upon
4 request and upon reimbursement of the association's costs for
5 making that distribution.

6 (e) Members of the association shall be notified in writing at
7 the time that the pro forma budget required in Section 1365 is
8 distributed, or at the time of any general mailing to the entire
9 membership of the association, of their right to have copies of the
10 minutes of meetings of the board of directors, and how and where
11 those minutes may be obtained.

12 (f) Unless the bylaws provide for a longer period of notice,
13 members shall be given notice of the time and place of a meeting
14 as defined in subdivision (k), except for an emergency meeting or
15 a meeting that will be held solely in executive session, at least four
16 days prior to the meeting. Except for an emergency meeting,
17 members shall be given notice of the time and place of a meeting
18 that will be held solely in executive session at least two days prior
19 to the meeting. Notice shall be given by posting the notice in a
20 prominent place or places within the common area and by mail to
21 any owner who had requested notification of board meetings by
22 mail, at the address requested by the owner. Notice may also be
23 given by mail, by delivery of the notice to each unit in the
24 development, by newsletter or similar means of communication,
25 or, with the consent of the member, by electronic means. The notice
26 shall contain the agenda for the meeting.

27 (g) An emergency meeting of the board may be called by the
28 president of the association, or by any two members of the
29 governing body other than the president, if there are circumstances
30 that could not have been reasonably foreseen which require
31 immediate attention and possible action by the board, and which
32 of necessity make it impracticable to provide notice as required
33 by this section.

34 (h) The board of directors of the association shall permit any
35 member of the association to speak at any meeting of the
36 association or the board of directors, except for meetings of the
37 board held in executive session. A reasonable time limit for all
38 members of the association to speak to the board of directors or
39 before a meeting of the association shall be established by the
40 board of directors.

1 (i) (1) Except as described in paragraphs (2) to (4), inclusive,
2 the board of directors of the association may not discuss or take
3 action on any item at a nonemergency meeting unless the item was
4 placed on the agenda included in the notice that was posted and
5 distributed pursuant to subdivision (f). This subdivision does not
6 prohibit a resident who is not a member of the board from speaking
7 on issues not on the agenda.

8 (2) Notwithstanding paragraph (1), a member of the board of
9 directors, a managing agent or other agent of the board of directors,
10 or a member of the staff of the board of directors, may do any of
11 the following:

12 (A) Briefly respond to statements made or questions posed by
13 a person speaking at a meeting as described in subdivision (h).

14 (B) Ask a question for clarification, make a brief announcement,
15 or make a brief report on his or her own activities, whether in
16 response to questions posed by a member of the association or
17 based upon his or her own initiative.

18 (3) Notwithstanding paragraph (1), the board of directors or a
19 member of the board of directors, subject to rules or procedures
20 of the board of directors, may do any of the following:

21 (A) Provide a reference to, or provide other resources for factual
22 information to, its managing agent or other agents or staff.

23 (B) Request its managing agent or other agents or staff to report
24 back to the board of directors at a subsequent meeting concerning
25 any matter, or take action to direct its managing agent or other
26 agents or staff to place a matter of business on a future agenda.

27 (C) Direct its managing agent or other agents or staff to perform
28 administrative tasks that are necessary to carry out this subdivision.

29 (4) (A) Notwithstanding paragraph (1), the board of directors
30 may take action on any item of business not appearing on the
31 agenda posted and distributed pursuant to subdivision (f) under
32 any of the following conditions:

33 (i) Upon a determination made by a majority of the board of
34 directors present at the meeting that an emergency situation exists.
35 An emergency situation exists if there are circumstances that could
36 not have been reasonably foreseen by the board, that require
37 immediate attention and possible action by the board, and that, of
38 necessity, make it impracticable to provide notice.

39 (ii) Upon a determination made by the board by a vote of
40 two-thirds of the members present at the meeting, or, if less than

1 two-thirds of total membership of the board is present at the
2 meeting, by a unanimous vote of the members present, that there
3 is a need to take immediate action and that the need for action
4 came to the attention of the board after the agenda was posted and
5 distributed pursuant to subdivision (f).

6 (iii) The item appeared on an agenda that was posted and
7 distributed pursuant to subdivision (f) for a prior meeting of the
8 board of directors that occurred not more than 30 calendar days
9 before the date that action is taken on the item and, at the prior
10 meeting, action on the item was continued to the meeting at which
11 the action is taken.

12 (B) Before discussing any item pursuant to this paragraph, the
13 board of directors shall openly identify the item to the members
14 in attendance at the meeting.

15 (j) (1) The board of directors shall not take action on any item
16 of business outside of a meeting.

17 (2) (A) Notwithstanding Section 7211 of the Corporations
18 Code, the board of directors shall not conduct a meeting via a series
19 of electronic transmissions, including, but not limited to, electronic
20 mail, except as specified in subparagraph (B).

21 (B) Electronic transmissions may be used as a method of
22 conducting an emergency meeting if all members of the board,
23 individually or collectively, consent in writing to that action, and
24 if the written consent or consents are filed with the minutes of the
25 meeting of the board. ~~Written consent to conduct an emergency~~
26 ~~meeting~~ *These written consents* may be transmitted electronically.

27 (k) As used in this section:

28 (1) “Item of business” means any action within the authority of
29 the board, except those actions that the board has validly delegated
30 to any other person or persons, managing agent, officer of the
31 association, or committee of the board comprising less than a
32 majority of the directors.

33 (2) “Meeting” means either of the following:

34 (A) A congregation of a majority of the members of the board
35 at the same time and place to hear, discuss, or deliberate upon any
36 item of business that is within the authority of the board.

37 (B) A teleconference in which a majority of the members of the
38 board, in different locations, are connected by electronic means,
39 through audio or video or both. A teleconference meeting shall be
40 conducted in a manner that protects the rights of members of the

1 association and otherwise complies with the requirements of this
2 title. Except for a meeting that will be held solely in executive
3 session, the notice of the teleconference meeting shall identify at
4 least one physical location so that members of the association may
5 attend and at least one member of the board of directors *or a person*
6 *designated by the board* shall be present at that location.
7 Participation by board members in a teleconference meeting
8 constitutes presence at that meeting as long as all board members
9 participating in the meeting are able to hear one another and
10 members of the association speaking on matters before the board.

11 *SEC. 4. Section 1368 of the Civil Code is amended to read:*

12 1368. (a) The owner of a separate interest, other than an owner
13 subject to the requirements of Section 11018.6 of the Business and
14 Professions Code, shall, as soon as practicable before transfer of
15 title to the separate interest or execution of a real property sales
16 contract therefor, as defined in Section 2985, provide the following
17 to the prospective purchaser:

18 (1) A copy of the governing documents of the common interest
19 development, including any operating rules, and including a copy
20 of the association's articles of incorporation, or, if not incorporated,
21 a statement in writing from an authorized representative of the
22 association that the association is not incorporated.

23 (2) If there is a restriction in the governing documents limiting
24 the occupancy, residency, or use of a separate interest on the basis
25 of age in a manner different from that provided in Section 51.3, a
26 statement that the restriction is only enforceable to the extent
27 permitted by Section 51.3 and a statement specifying the applicable
28 provisions of Section 51.3.

29 (3) A copy of the most recent documents distributed pursuant
30 to Section 1365.

31 (4) A true statement in writing obtained from an authorized
32 representative of the association as to the amount of the
33 association's current regular and special assessments and fees, any
34 assessments levied upon the owner's interest in the common
35 interest development that are unpaid on the date of the statement,
36 and any monetary fines or penalties levied upon the owner's
37 interest and unpaid on the date of the statement. The statement
38 obtained from an authorized representative shall also include true
39 information on late charges, interest, and costs of collection which,
40 as of the date of the statement, are or may be made a lien upon the

owner's interest in a common interest development pursuant to Section 1367 or 1367.1.

(5) A copy or a summary of any notice previously sent to the owner pursuant to subdivision (h) of Section 1363 that sets forth any alleged violation of the governing documents that remains unresolved at the time of the request. The notice shall not be deemed a waiver of the association's right to enforce the governing documents against the owner or the prospective purchaser of the separate interest with respect to any violation. This paragraph shall not be construed to require an association to inspect an owner's separate interest.

(6) A copy of the initial list of defects provided to each member of the association pursuant to Section 1375, unless the association and the builder subsequently enter into a settlement agreement or otherwise resolve the matter and the association complies with Section 1375.1. Disclosure of the initial list of defects pursuant to this paragraph does not waive any privilege attached to the document. The initial list of defects shall also include a statement that a final determination as to whether the list of defects is accurate and complete has not been made.

(7) A copy of the latest information provided for in Section 1375.1.

(8) Any change in the association's current regular and special assessments and fees which have been approved by the association's board of directors, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision.

(9) If there is a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee, or tenant, a statement describing the prohibition ~~and its applicability~~.

(10) If requested by the prospective purchaser, a copy of the minutes of the meetings, excluding meetings held in executive session, of the association's board of directors, conducted over the previous 12 months, that were approved by the association's board of directors.

(b) (1) Upon written request, the association shall, within 10 days of the mailing or delivery of the request, provide the owner of a separate interest, or any other recipient authorized by the owner, with a copy of the requested documents specified in

1 paragraphs (1) to (10), inclusive, of subdivision (a). Upon receipt
2 of a written request, the association shall provide, on the form
3 described in Section 1368.2, a written or electronic estimate of the
4 fees that will be assessed for providing the requested documents.
5 The documents required to be made available pursuant to this
6 section may be maintained in electronic form, and may be posted
7 on the association's Internet Web site. Requesting parties shall
8 have the option of receiving the documents by electronic
9 transmission if the association maintains the documents in
10 electronic form. The association may collect a reasonable fee based
11 upon the association's actual cost for the procurement, preparation,
12 reproduction, and delivery of the documents requested pursuant
13 to the provisions of this section.

14 (2) No additional fees may be charged by the association for
15 the electronic delivery of the documents requested.

16 (3) Fees for any documents required by this section shall be
17 distinguished from other fees, fines, or assessments billed as part
18 of the transfer or sales transaction. Delivery of the documents
19 required by this section shall not be withheld for any reason nor
20 subject to any condition except the payment of the fee allowed
21 pursuant to paragraph (1).

22 (4) An association may contract with any person or entity to
23 facilitate compliance with the requirements of this subdivision on
24 behalf of the association.

25 (5) The association shall also provide a recipient authorized by
26 the owner of a separate interest with a copy of the completed form
27 specified in Section 1368.2 at the time the required documents are
28 delivered.

29 (c) (1) Except as provided in paragraph (2), neither an
30 association nor a community service organization or similar entity
31 may impose or collect any assessment, penalty, or fee in connection
32 with a transfer of title or any other interest except for the following:

33 (A) An amount not to exceed the association's actual costs to
34 change its records.

35 (B) An amount authorized by subdivision (b).

36 (2) The prohibition in paragraph (1) does not apply to a
37 community service organization or similar entity, or to a nonprofit
38 entity that provides services to a common interest development
39 under a declaration of trust, that is described in subparagraph (A)
40 or (B):

1 (A) The community service organization or similar entity
2 satisfies both of the following requirements:

3 (i) The community service organization or similar entity was
4 established prior to February 20, 2003.

5 (ii) The community service organization or similar entity exists
6 and operates, in whole or in part, to fund or perform environmental
7 mitigation or to restore or maintain wetlands or native habitat, as
8 required by the state or local government as an express written
9 condition of development.

10 (B) The community service organization or similar entity, or a
11 nonprofit entity that provides services to a common interest
12 development under a declaration of trust, satisfies all of the
13 following requirements:

14 (i) The organization or entity is not an organization or entity
15 described in subparagraph (A).

16 (ii) The organization or entity was established and received a
17 transfer fee prior to January 1, 2004.

18 (iii) On and after January 1, 2006, the organization or entity
19 offers a purchaser the following payment options for the fee or
20 charge it collects at time of transfer:

21 (I) Paying the fee or charge at the time of transfer.

22 (II) Paying the fee or charge pursuant to an installment payment
23 plan for a period of not less than seven years. If the purchaser
24 elects to pay the fee or charge in installment payments, the
25 organization or entity may also collect additional amounts that do
26 not exceed the actual costs for billing and financing on the amount
27 owed. If the purchaser sells the separate interest before the end of
28 the installment payment plan period, he or she shall pay the
29 remaining balance prior to transfer.

30 (3) For the purposes of this subdivision, a “community service
31 organization or similar entity” means a nonprofit entity, other than
32 an association, that is organized to provide services to residents
33 of the common interest development or to the public in addition
34 to the residents, to the extent community common areas or facilities
35 are available to the public. A “community service organization or
36 similar entity” does not include an entity that has been organized
37 solely to raise moneys and contribute to other nonprofit
38 organizations that are qualified as tax exempt under Section
39 501(c)(3) of the Internal Revenue Code and that provide housing
40 or housing assistance.

1 (d) Any person or entity who willfully violates this section is
2 liable to the purchaser of a separate interest that is subject to this
3 section for actual damages occasioned thereby and, in addition,
4 shall pay a civil penalty in an amount not to exceed five hundred
5 dollars (\$500). In an action to enforce this liability, the prevailing
6 party shall be awarded reasonable attorneys' fees.

7 (e) Nothing in this section affects the validity of title to real
8 property transferred in violation of this section.

9 (f) In addition to the requirements of this section, an owner
10 transferring title to a separate interest shall comply with applicable
11 requirements of Sections 1133 and 1134.

12 (g) For the purposes of this section, a person who acts as a
13 community association manager is an agent, as defined in Section
14 2297, of the association.

15 ~~SEC. 2.~~

16 *SEC. 5.* Section 18045.6 of the Health and Safety Code is
17 amended to read:

18 18045.6. (a) (1) If the manufacturer, distributor, or dealer
19 changes the site or location of his or her established place of
20 business, the manufacturer, distributor, or dealer shall immediately,
21 upon making the change, so notify the department. If a
22 manufacturer, distributor, or dealer for any reason whatsoever,
23 ceases to be in possession of an established place of business from
24 and on which he or she conducts the business for which the
25 manufacturer, distributor, or dealer is licensed, he or she shall
26 immediately notify the department and, upon demand by the
27 department, shall deliver to the department the manufacturer's,
28 distributor's, or dealer's license and all relevant records in his or
29 her possession.

30 (2) The department may place a manufacturer, distributor, or
31 dealer license on an inactive status upon application of the licensee.
32 An inactive license shall remain valid for six months or for the
33 remaining term of the original license, whichever is less.

34 (b) If the dealer changes to, or adds, another franchise for the
35 sale of new manufactured homes, mobilehomes, or commercial
36 coaches, or cancels, or, for any cause whatever, otherwise loses a
37 franchise for the sale of new manufactured homes, mobilehomes,
38 or commercial coaches, he or she shall immediately so notify the
39 department.

(c) A dealer's established place of business shall have posted in a place conspicuous to the public the license issued by the department to the dealer and to each salesperson employed by the dealer.

(d) (1) Notwithstanding Section 18050 and this section, a dealer may display manufactured homes, mobilehomes, or commercial coaches at a fair, exposition, or similar exhibit. As used in this section, "mobilehome fair or exposition" means a display of manufactured homes, mobilehomes, or commercial coaches not in a mobilehome park and for which the initial opportunity to display is open to all dealers. The display shall not qualify as a business location or an established place of business for the purposes of procuring or maintaining a dealer's license.

(2) New manufactured homes or mobilehomes, installed pursuant to Section 18613, may also be displayed and sold within a mobilehome park or mobilehome subdivision by dealers. A display home may be used and equipped only for the sale of the displayed home and shall not be used as an established place of business, unless licensed as an established place of business.

(3) Dealers and salespersons may negotiate listing agreements for the sale of a used manufactured home or mobilehome which has been titled by the department, and may negotiate and execute offers to purchase and purchase documents for the sale of a new or used manufactured home or mobilehome other than at the established place of business.

(e) All manufactured homes, mobilehomes, or commercial coaches displayed pursuant to subdivision (d) shall be identified by a sign or device providing information relating to the dealer's name and the location and address of the dealer's established place of business and any other information that is required by the department.

(f) The requirements for an office specified in subdivision (b) of Section 18045.5 shall not apply to a display location authorized by subdivision (d), unless licensed as an established place of business.

~~SEC. 3.~~

SEC. 6. Section 18942 of the Health and Safety Code is amended to read:

18942. (a) The commission shall publish, or cause to be published, editions of the code in its entirety once in every three

1 years. In the intervening period the commission shall publish, or
2 cause to be published, supplements as necessary. For emergency
3 building standards defined in subdivision (a) of Section 18913, an
4 emergency building standards supplement shall be published
5 whenever the commission determines it is necessary.

6 (b) The commission shall publish the text of Article 2.5
7 (commencing with Section 115920) of Chapter 5 of Part 10 of
8 Division 104, within the requirements for single-family residential
9 occupancies contained in Part 2.5 of Title 24 of the California
10 Code of Regulations, with the following note:

11
12 “NOTE: These regulations are subject to local government
13 modification. You should verify the applicable local
14 government requirements at the time of application for a
15 building permit.”

16
17 (c) The commission shall publish the text of Section 116064.2
18 within Part 2 of Title 24 of the California Code of Regulations.

19 (d) The commission may publish, stockpile, and sell at a
20 reasonable price the code and materials incorporated therein by
21 reference if it deems the latter is insufficiently available to the
22 public, or unavailable at a reasonable price. Each state department
23 concerned and each city, county, or city and county shall have an
24 up-to-date copy of the code available for public inspection.

25 (e) (1) Each city, county, and city and county, including charter
26 cities, shall obtain and maintain with all revisions on a current
27 basis, at least one copy of the building standards and other state
28 regulations relating to buildings published in Titles 8, 19, 20, 24,
29 and 25 of the California Code of Regulations. These codes shall
30 be maintained in the office of the building official responsible for
31 the administration and enforcement of this part.

32 (2) This subdivision shall not apply to a city or county that
33 contracts for the administration and enforcement of the provisions
34 of this part with another local government agency that complies
35 with this section.